

Honorable Tom Murray  
Chairman  
Committee on Post Office  
and Civil Service  
House of Representatives  
Washington, D. C.

Dear Mr. Chairman:

In connection with the congressional consideration of the Government Employees Salary Reform Act of 1964, members of the staff of your Committee have been most helpful in advising us of developments and in discussing the effect which the bill, if enacted, would have upon employees of this Agency.

One item which has come under consideration has to do with a Senate amendment to the bill which provides for an effective date of 1 July 1964. This Agency is, as you know, one of several which fix the rates of compensation of their employees by administrative action pursuant to law. The Comptroller General has ruled that these rates may not be adjusted retroactively unless there is specific statutory provision for such action, as was done in the case of P. L. 85-462, 20 June 1958, section 7. If the Senate amendment on the effective date is accepted in conference, the employees of the so-called administrative agencies will not be entitled to the retroactive portion of their pay unless a similar provision is added to the current legislation. Such a provision would insure that H.R. 11049 would continue to cover all Federal employees equally within the scope of the original bill. Your favorable consideration of such an addition along the lines of the enclosed draft would be most appreciated. Of course, there would be no problem if the final bill uses the effective date as passed by the House, which was the first day of the first pay period which begins on or after the date of enactment of the act.

**The Bureau of the Budget has no objection to the submission of this report from the standpoint of the Administration's program.**

**Sincerely,**

**Lawrence R. Houston  
General Counsel**

**Enclosure**

**cc:**

**[Redacted]**

**Legal Advisor, NSA**

STAT

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**OGC/LC/DDS:bw (10 July 64)**

**ENCLOSURE**

(a) Notwithstanding section 3679 of the Revised Statutes, as amended (31 U. S. C. 663), the rates of compensation of officers and employees of the Federal Government whose rates of compensation are fixed by administrative action pursuant to law and are not otherwise increased by this Act are hereby authorized to be increased, effective on or after the first day of the first pay period which began after July 1, 1964, by amounts not to exceed the increases provided by this Act for corresponding rates of compensation in the appropriate schedule or scale of pay.

(b) Nothing contained in this section shall be deemed to authorize any increase in the rates of compensation of officers and employees whose rates of compensation are fixed and adjusted from time to time as nearly as is consistent with the public interest in accordance with prevailing rates or practices.

(c) Nothing contained in this section shall affect the authority contained in any law pursuant to which rates of compensation may be fixed by administrative action.

## **ALTERNATE**

**(a) Notwithstanding section 5679 of the Revised Statutes, as amended (31 U.S.C. 665), the rates of compensation of officers and employees of the Federal Government whose rates of compensation are fixed by administrative action pursuant to law and are not otherwise increased by this Act are hereby authorized to be increased, effective on July 1, 1964, by amounts not to exceed the increases provided by this Act for corresponding rates of compensation in the appropriate schedule or scale of pay.**

**(b) Nothing contained in this section shall be deemed to authorize any increase in the rates of compensation of officers and employees whose rates of compensation are fixed and adjusted from time to time as nearly as is consistent with the public interest in accordance with prevailing rates or practices.**

**(c) Nothing contained in this section shall affect the authority contained in any law pursuant to which rates of compensation may be fixed by administrative action.**